SHRI JASWANT SINGH: Yes; Sir, I can share with the hon. Member what I have today, or, earlier given instruction as to when it should happen, I want it to be done within a week's time. I was informed that it is not possible to do it within a week's time, and they have sought a time of one month to complete the reconciliation exercise. I had to defer to the convenience of those who are reconciling it, and, therefore, I have agreed to one-month period for the reconciliation.

Surplus in the current account of Government

*388. DR. T. SUBBARAMI REDDY:†
SHRI RAVULA CHANDRA SEKAR REDDY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether surplus in the current account of Government was recorded in 2001-2002 for the first time in 24 years;

(b) if so, what is the total surplus during the current year;

(c) whether there has been any further improvement uptil now; and

(d) what efforts are being made to have a further surplus in the current account during the remaining period of the current financial year?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (d) A Statement is placed on the Table of the House.

Statement

India recorded a surplus in current account of Balance of Payment (BOP) of US $1351 million in the year 2001-02. The country last had a surplus in the current account in the fiscal year 1977-78.

The latest data on the balance of payments available so far in the current financial year with RBI is for the first quarter April-June 2002. During this period, the current account recorded a surplus of US $325 million.

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

The current account deficit of Balance of Payments in earlier years has been progressively narrowed down, turning into a modest surplus consecutively for three quarters ending April-June 2002. These developments reflect the success of the policies for management of the external sector of the economy, which amongst others include encouraging our exports and invisibles and maintaining a stable exchange rate of the rupee. These policies will be pursued further.

DR. T. SUBBARAMI REDDY: Sir, I would like to compliment the hon. Finance Minister. Since last twenty-four years, India has never recorded a surplus in the current account of Balance of Payments. Sir, according to the hon. Minister's reply, India has recorded a surplus in the current account of Balance of Payments (BOP) of US $1351 million in the year 2001-2002. I would like to know from the hon. Minister by what miracle the Government has achieved this surplus, and what was missing in the last twenty-four years that we could not achieve that. I would also like to know what is going to happen in future.

SHRI JASWANT SINGH: Sir, it is difficult for me to discern as to what exactly the hon. Member wants to know.

DR. T. SUBBARAMI REDDY: Sir, in the year 2001-02, India had a surplus in the current account of Balance of Payments. In previous years, there has always been a deficit in the Balance of Payments. So, I want to know what are the strategies that the Government have adopted which contributed to a surplus in Balance of Payments. I would like to know the reasons behind it. How have we achieved this surplus in the current account of the balance of payments? How have we done it?

SHRI JASWANT SINGH: Sir, purely, it is a current account's surplus. ....*(Interruptions)*... The term is 'current account surplus'. ...*(Interruptions)*... Sir, if the hon. Member could kindly sit down, it would be better. I am trying to answer to what he has asked. Sir, the current account surplus reflects that the inflow of money into the country is more than the outflow. That is as simple as that. Now, we have a surplus after a very long time. It could also be, 'in purely economic terms' our imports are sluggish. We are not importing enough and, therefore, it is like that. Or, it could be that our exports are dynamic. But, in our case what is happening is that, as the hon. Member knows, we are already touching a foreign exchange reserve of $68 billion. On an

average, — I had shared with the hon. Members here earlier — We are having an inflow of about $ 500 million a week. This, in itself, is a question of management of the inflow of resources. Therefore, as the hon. Member knows, the Reserve Bank of India, in consultation with the Government, and on the advice of the Government, has already taken several steps. For example, we now have a facility whereby citizens can hold a foreign exchange account in India, without any limit. It is a current account and you have got the cheque facility. You can meet your medical expenses, the education of children or purchase of books or give gifts to anybody. We have also enhanced the limits of expenditure that a citizen can incur. It has been enhanced to $20,000/-. But the $20,000/- is exclusive of what you can incur on your credit cards, should you travel abroad. The hon. Member, knows when a citizen receives funds from abroad by whatever way, be it a consultancy payment or any other, he can retain those funds abroad and maintain that account. So we are increasingly moving towards a more liberal regime of management of foreign exchange.

DR. T. SUBBARAMI REDDY: Sir, it is good that during the financial year 2001-02, you have achieved 20 million dollars. I would like to know whether you are going to exceed this during 2002-03, achieve more than what you have done during last year.

SHRI JASWANT SINGH: Sir, this kind of speculation is always an extremely hazardous exercise. To engage in such an exercise inside Parliament is certainly not desirable. I can only assure the hon. Member that the country will not have any foreign exchange difficulty, irrespective of what international developments take place. We have sufficient reserves. Secondly, I can assure the hon. Member that irrespective of what international developments take place, the management of the country's foreign exchange reserves is now so balanced that we can manage them at least for two-and-a-half years, at the minimum.

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, the Government claims a stable foreign exchange rate of the Rupee. I would like to know whether the Government has analysed why, in spite of a sound and safe accounting system of the Government, the global credit rating agency has downgraded?

SHRI JASWANT SINGH: Sir, I would rather not express any comment. I find it somewhat distasteful and demeaning for me to comment on a commercial rating agency. Sir, with your permission, I shall not comment on that.

SHRI B. J. PANDA: Sir, the hon. Minister referred to the 68 billion dollar foreign exchange reserves. It is indeed a comfortable position. The country has come a long way from 1991, when it almost defaulted. My question is, some concerns have been raised that, perhaps, it may become too much of a good thing and it may be reflecting a lower efficiency of fund utilisation in the country. In that, the country may be paying too much, in terms of the deposit rates for NRIs funds. I would like to know the views of the hon. Minister on this.

SHRI JASWANT SINGH: Sir, it is a very difficult question. He is a very able, young hon. Member of the House, and I have high regard for his views. But, Sir. he has sought my views. I cannot have a subjective views in this regard. It can only be the view of the Government. The management of the monetary situation is not an individual effort. The hon. Member is right that a viewpoint is being expressed now that, with a 68 billion dollars foreign exchange reserve and the kind of rate of inflow of money into the country, we have to look at the total question all over again. I can assure the hon. Member that we are seized of the issue. The Reserve Bank of India, under a very able Governorship, is already addressing this question.

Increase in price of natural gas

*389. SHRI BACHANI LEKHRAJ: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering to increase the price of natural gas after 1st April, 2003;

(b) if so, by when and how much and the reasons therefor; and

(c) whether Government of Gujarat have made any representation to the Central Government not to hike gas prices, if so, what decision has been taken?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) As per the Government decision taken in September, 1997 the gas price revision is due.